

EXHIBIT 354

REDACTED



REDACTED



<p style="text-align: right;">Page 162</p> <p>1 paragraph.</p> <p>2 Would you just compare. Generally</p> <p>3 Exhibits 7 and 8 appear to be very similar or</p> <p>4 almost identical.</p> <p>5 A. Yes, they appear to be -- from what I</p> <p>6 can tell, yeah, they look pretty similar.</p> <p>7 Q. Again, I know you didn't have time to</p> <p>8 review every single word but they're very similar,</p> <p>9 correct?</p> <p>10 A. They look similar.</p> <p>11 Q. So, now, sir, as part of or chief</p> <p>12 director of internal audit at Walgreens, do you</p> <p>13 recall seeing this February 7, 2007 letter as part</p> <p>14 of the -- your group's internal audit of the</p> <p>15 distribution centers?</p> <p>16 A. I don't recall seeing this document.</p> <p>17 Q. Just to make sure I'm not missing</p> <p>18 something, you don't recall in the last two</p> <p>19 exhibits, 7 and 8, seeing any synopsis or bullets</p> <p>20 or anything that captures the content in Exhibits 7</p> <p>21 or 8 when performing the audit, correct?</p> <p>22 A. I certainly don't recall that, no.</p> <p>23 Q. All right. Let me hand you what I will</p> <p>24 mark as Domzalski 9.</p>	<p style="text-align: right;">Page 164</p> <p>1 Q. So, all within a matter of approximately</p> <p>2 14 months, 15 months?</p> <p>3 A. Yes.</p> <p>4 Q. And, again, the second sentence of 9,</p> <p>5 Exhibit 9, says, "The purpose of this letter is to</p> <p>6 reiterate the responsibilities of controlled</p> <p>7 substance manufacturers and distributors to inform</p> <p>8 DEA of suspicious orders in accordance with 21</p> <p>9 CFR."</p> <p>10 Correct?</p> <p>11 A. I'm sorry. I lost you on that. Where</p> <p>12 are you at?</p> <p>13 Q. The second sentence of the first</p> <p>14 paragraph.</p> <p>15 A. First paragraph. Okay.</p> <p>16 Q. "The purpose of this letter is to</p> <p>17 reiterate the responsibilities of controlled</p> <p>18 substance manufacturers and distributors to inform</p> <p>19 DEA of suspicious orders in accordance with 21 CFR</p> <p>20 1301.74(b)."</p> <p>21 Correct?</p> <p>22 A. Yes.</p> <p>23 Q. Now, just to quickly look over --</p> <p>24 quickly review this document.</p>
<p style="text-align: right;">Page 163</p> <p>1 (WHEREUPON, a certain document was</p> <p>2 marked as Walgreens-Domzalski</p> <p>3 Exhibit No. 9: 12/27/07 letter</p> <p>4 from U.S. DOJ DEA; MCKMDL00478910 -</p> <p>5 00478911.)</p> <p>6 BY MR. MOUGEY:</p> <p>7 Q. Do you see the date on this, sir,</p> <p>8 December 27, 2007?</p> <p>9 A. Yes, I do.</p> <p>10 Q. And we've now -- the first sentence,</p> <p>11 "This letter is being sent to every entity in the</p> <p>12 United States registered with the Drug Enforcement</p> <p>13 Administration to manufacture or distribute</p> <p>14 controlled substances."</p> <p>15 Correct?</p> <p>16 A. Yes.</p> <p>17 Q. And your understanding is, again, that</p> <p>18 would include Walgreens?</p> <p>19 A. Yes.</p> <p>20 Q. So, we've now seen correspondence from</p> <p>21 the U.S. Department of Justice DEA from</p> <p>22 September 27, 2006, February 7, 2007 and then a</p> <p>23 third letter, December 27, 2007, correct, sir?</p> <p>24 A. Yes.</p>	<p style="text-align: right;">Page 165</p> <p>1 The second paragraph, do you see the</p> <p>2 second sentence indicates that DEA regs require all</p> <p>3 distributors to report suspicious orders of</p> <p>4 controlled substances, right?</p> <p>5 A. Yes.</p> <p>6 Q. And I'm assuming the answer to this next</p> <p>7 question is the same as before, that you can't</p> <p>8 discern from the internal audit report whether your</p> <p>9 group's audit covered Walgreens' responsibility to</p> <p>10 identify suspicious orders, right?</p> <p>11 A. No, I cannot recall that.</p> <p>12 Q. And --</p> <p>13 A. Cannot identify it from the report.</p> <p>14 Q. You'll see here -- let's go down to the</p> <p>15 third paragraph.</p> <p>16 A. Yes.</p> <p>17 Q. "The regulation also requires the</p> <p>18 registrant inform the local DEA Division Office of</p> <p>19 suspicious orders when discovered by the</p> <p>20 registrant."</p> <p>21 Sir, is it safe to conclude that you</p> <p>22 can't tell from looking at this internal audit,</p> <p>23 meaning Exhibit 3, whether or not the excessive</p> <p>24 purchase reports or suspicious order reports were</p>